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CUSTOMER RELATIONSHIP MANAGEMENT FIELD LAB AT PCDIGA:  
BRAND ACTIVATION AND COMMUNICATION

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## **CUSTOMER RELATIONSHIP MANAGEMENT FIELD LAB AT PCDIGA:**

### **BRAND ACTIVATION AND COMMUNICATION**

#### **Abstract**

Nowadays, the concept of brand is highly related with communities – brands’ success is no longer relying just on a product benefit; instead, they must create its own culture. In addition, being customer-centric is increasingly important for companies, as building engaging relationships with customers is a source of customer loyalty. This Work Project consists of an analysis of PCDIGA’s current brand identity and positioning, and of the brand image held by its customers. Due to an identity-image gap, an updated brand identity and positioning are suggested. Moreover, as PCDIGA is a multichannel retailer, online and offline practical recommendations are made.

**Keywords:** Multichannel retailer, Brand management, CRM

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## Chapter 1 – Introduction

This Work Project was carried out as part of the CRM Field Lab with PCDIGA, which is a Portuguese company that was founded in Leiria, in 2003. It established itself on the market as a niche digital retailer of electronic goods, for specialists in computer equipment and technology, particularly in the gaming area. It started as an “underdog” of the industry, but by capturing users like hardware reviewers and overclockers, it became one of the top choices of the online community at that time.

The main competitive advantages of PCDIGA, as they see it, are its competitive prices, usually lower than the competitors’, and its recognized specialized service. Other strengths include: speed in the orders delivery, high quality, diversity, and specificity of the products, and the diverse partnerships established with the leading manufacturers.

PCDIGA has been expanding and growing sharply, due to positive word-of-mouth marketing, a high level of customer satisfaction, and a strong online community. In fact, its operating revenue in 2016 was 29M€ and its net income was 583K€, while in 2015 the first was 21M€ and the latter was 286K€. Regarding the number of employees, there was also a significant change: the number increased from 38 to 57 between 2015 and 2016. Currently, there are five stores in Portugal: Leiria, Parque das Nações, Benfica, Porto, and Braga. From 2015 to 2018, PCDIGA was awarded as *Melhor Loja de Tecnologia* by the magazine PC Guia.

The market of retail in electronic goods consists of two different kinds of stores: the specialized ones, where PCDIGA fits, and the big retailers. On one hand, examples of specialized stores, besides PCDIGA, are MHR, Globaldata, and PcComponentes. On the other hand, stores like Worten, Fnac, Rádio Popular, and MediaMarkt characterize the big retailers.

PCDIGA intends to be customer-centric but feels this is not reflected across the whole business, which is critical in this period of accelerated growth, and therefore wants to create a CRM department. The Field Lab aimed at building the foundations for this and included several workstreams, including a repositioning of the brand that allows it to communicate and engage with customers more effectively, which is the focus of this paper.

## **Chapter 2 – Literature Review**

### **2.1 – Brand Management: main concepts**

The concept of brand has evolved through time. Its earliest definitions were influenced by the law; they originated as marks on livestock in the Wild West of the USA to assure cows were not stolen – brands guaranteed their origin. Then, the brand ceased to be only a proof of origin, and started to signal higher quality (Kapferer, 2012). The American Marketing Association (1960) defined brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”. Although this was criticized for being excessively product-oriented, it has lasted to contemporary literature, although in adjusted form (Wood, 2000). With the influence of social media, and the underline role of communities, the latest definitions of brand have disentangled it from the product – a brand must create a community instead of being reduced to a benefit (Kapferer, 2012). A brand community consists of a group of people with a common interest in a certain brand, generating a subculture “with its own values, myths, hierarchy, rituals, and vocabulary” (Cova & Pace, 2006). The interactive nature of social media enables brands to exchange and share information with their existing and new customers, and customers to exchange and share it with each other, which creates communities that cooperate to detect problems and develop solutions to solve them (Tsimonis & Dimitriadis, 2014). This evolution turned brands into intangible assets that produce added benefits for the business, and, thus, into part of a company’s capital (Kapferer, 2012), which relates to the concept of brand equity – distinct consequences result from marketing a product or service because of its brand than if it had not been recognised by that brand; that is, through marketing, brands endow products and services with “added value” (Keller, Apéria, & Georgson, 2012). The present aim of brand management is making its name become the landmark of the category it competes in (Kapferer, 2012), or, in other words, to shape brands that last and that can be leveraged in diverse product categories and markets (Aaker, 1996).

There are four other concepts that, in the context of this project, are particularly relevant: brand awareness, brand image, brand identity, and brand positioning. Building brand awareness is the first step when

building a brand - to exist brand power, it must be present in people's minds (Kapferer, 2012), and it affects consumer behaviour (Esch, Langner, Schmitt, & Geus, 2006). Brand awareness may be split into: top of mind (the brand that comes to mind first), spontaneous or brand recall (the brands that spontaneously come to mind) and aided/prompted or brand recognition (the ones that are known, even if only by name, when showed in a list) (Chandon, 2003; Kapferer, 2012). Brand image is the way in which the signals arising from a brand's products, services and communication are interpreted (Kapferer, 2012), that is, it is made of the consumer perceptions of a brand as reflected by the associations held in their memories (Chandon, 2003). Image and awareness constitute brand knowledge, and the two of them are determinants of consumer behaviour (Esch et al., 2006). Identity is a key belief of the brand and its core values – it defines what the brand is, and, for existent brands, it is the basis of brand positioning. It is constant and enduring, as “it is tied to brand roots and fixed parameters” (Kapferer, 2012). As the two are not always synchronized, it is essential to identify and measure the identity-image gap (Roy & Banerjee, 2014). Positioning a brand is emphasising the features that make it unlike the competition and appealing to the public (Kapferer, 2012). Four aspects need to be defined to position a brand: the target market, the nature of competition, the points of parity, and the points of difference (Keller et al., 2012).

## **2.2 – Managing retail brands**

Retail branding is “a systematic process in order to create a cluster of values that promise a unique and welcomed experience for the buyer or user of retailer brands” (Mathews-Lefebvre & Dubois, 2013). The name of the retailer is a brand that designates the kind of merchandise and services offered (Levy & Weitz, 2012). Brand management and branding principles may and should apply to retail brands (Ailawadi & Keller, 2004), although with certain variation (Pappu & Quester, 2006). In fact, due to the very competitive nature and the solid influence on patronage behaviour, the view of the retailer as a brand is an important trend in retailing (Swoboda, Haelsig, Schramm-Klein, & Morschett, 2009). Slow-growth markets, increased competition and more challenging consumers made retailers recognize the power of branding, which can leverage their names by launching private label brands, as well as increase revenue and lucrativeness (Pappu & Quester, 2006).

National or manufacturer's brands are "products designed, produced, and marketed by a vendor and sold to different retailers". Some retailers arrange their buying activities around national-brand vendors that cut across merchandise categories. Managing merchandise at the brand or vendor level, and not by category, provides retailers with more power when dealing with vendors, but it also generates inefficiencies. Private label, store, or own brands are developed by retailers and are exclusively sold through their channels. These can bear the retailer's, or a special name. Retailers may decide on the design and specifications for their private-label products and contract with manufacturers to produce them, or they may work with national-brand vendors to create a version of their merchandise offering – here, the national-brand vendor is in charge both for the design and specification, and for the production (Levy & Weitz, 2012).

As retail brands are connected to a real store, their brand image should contain associations with it (Ailawadi & Keller, 2004). In retailing, "the store is the product of the company" – nothing connects a retail brand to a product (as with manufacturer brands) except for the company and its stores (Dicke, 1992). Unlike retail brands, manufacturer brands are not influenced by the image of stores or the experience within them (Richardson, Jain, & Dick, 1996).

Nowadays, the perceived quality level of store brands tends to increase in many countries (Huang & Huddleston, 2009), and it is one of the sources of their success – the growth rate of store brands, which is more than 5%, is twice the growth rate of manufacturer brands, which is around 2% (Lybeck, Holmlund-Rytkönen, & Sääksjärvi, 2006). This perceived quality leads to loyalty and store differentiation (Corstjens & Lal, 2000), and no longer allows to see retail brands as cheap substitutes to national brands (Lybeck et al., 2006).

Long-term brand value depends on brand vision and brand actualization, but two issues were found. First, retailers tend to be product-centric and focus on short-term objectives – less emphasis is put on segmentation, targeting, and positioning. To help retailers better creating and managing their brands, and to increase loyalty and customer value, long-term objectives should include branding and customer expectations. Second, constant launchings, even when inventive, and the addition of retailer brands in more and more categories tend to increase customers' disorientation and shelf space issues. To make the

offer clear and to simplify management, it is necessary to adjust brand portfolios (Mathews-Lefebvre & Dubois, 2013).

Rebranding is not the same as branding; it is the change among a primarily formulated brand and a new formulation – all units move from one mindset to another (Merrilees & Miller, 2008). A rebranding may be evolutionary or revolutionary. Evolutionary rebranding consists of a slight change in the brand's positioning and aesthetics that is so steady that it is hardly noticeable by outsiders. In contrast, revolutionary rebranding defines a considerable transformation in positioning and aesthetics deeply redefining the company – it typically implies a change of name. Rebranding may take place at just one level in the corporate hierarchy, at various levels, or at all levels (Muzellec & Lambkin, 2006).

### **2.2.1 – Effective communication for brand image and customer loyalty in retail**

To build brand equity, retailers need to undertake three main activities. First, they should create a high level of brand awareness. Retailers build top-of-mind awareness, its highest level, by having unforgettable names, frequently displaying their names to customers, and using catchy symbols. Second, they need to develop favourable associations with the brand name, which include the category, the price or quality, a specific attribute or benefit, and a lifestyle or activity. Third, they need to reinforce the image of the brand through an integrated marketing communication program – delivering a complete and coherent message to all customers, across all elements of their retail mix, and across all channels (Levy & Weitz, 2012).

Retailers reach out to customers online and offline, as well as interactively and passively (Grewal & Levy, 2012; Levy & Weitz, 2012). Direct marketing has received the highest increase in attention by retailers because of the increased use of customer databases – retailers have been able to build them thanks to online shopping, the use of credit and debit cards by customers, and store-specific credit and loyalty cards, all of which involve the buyer giving the seller personal information. Traditional direct marketing includes direct mail (mail and catalogues); today, direct marketing also includes Internet-enabled methods such as e-mail and mobile marketing (Harridge-March, 2008; Levy & Weitz, 2012; Thomas, 2007). Online marketing is done through three interactive channels: web sites, blogs, and social media. The last two are also vehicles for word-of-mouth (Levy & Weitz, 2012; López, Sicilia, & Hidalgo-Alcázar, 2016). Sales promotions are

incentives for customers to buy a particular product or service, and include coupons, rebates, premiums, samples, point-of-purchase displays, special events, and pop-up stores. Personal selling is a directly facing communication process in which sales associates help customers satisfying their needs. Advertising may be done through newspapers, magazines, television, radio, and co-op programs, and involves the placing of announcements and influential messages seeking to inform and convince members of a target market concerning products, services, organizations, or ideas. Public relations involve managing communications and relationships to accomplish several goals – to build and preserve a positive brand image, handle or prevent unfavourable stories or events, and preserve positive relationships with the media. All of these elements must be harmonised in order that customers have a understandable and unmistakable image of the retailer (Levy & Weitz, 2012).

To develop and implement their communication program, retailers go through four steps. First, they establish objectives to provide direction, and a basis for evaluating its effectiveness. Second, they determine a budget. The correct method for setting the budget is marginal analysis, as it maximizes the profits generated by the communication mix. However, usually there is not enough information to perform a complete marginal analysis. Hence, retailers use the objective-and-task and rule-of-thumb methods. Third, they allocate the budget, and this decision is more important than the one about the amount to spend on communications. Fourth, they implement and evaluate the program (Curhan & Kopp, 1987; Levy & Weitz, 2012).

### **2.2.2 – Using CRM to manage a retail brand**

In retailing, the purpose of CRM is to grow a base of loyal customers and increase its share of wallet – the percentage of the purchases made from the retailer (Keiningham, Cooil, Aksoy, Andreassen, & Weiner, 2007; Levy & Weitz, 2012). Loyal customers are dedicated to buy products and services from the retailer – they have a personal connection by seeing the retailer as a friend. When this connection exists, it is hard for a competitor to appeal to these customers (Dick & Basu, 1994; Ho et al., 2009; Levy & Weitz, 2012). To enhance customer loyalty, an attractive brand image should be created, and nearby locations, appealing merchandise at convincing prices, and an engaging experience should be provided. Also, personal



attention is one of the most successful ways for increasing customer loyalty (Levy & Weitz, 2012; Medrano, Olarte-Pascual, Pelegrín-Borondo, & Sierra-Murillo, 2016).

There are four steps in the CRM process: collecting customer data, analysing it and identifying target customers, developing CRM programs, and implementing them. These programs may be used to retain the best customers, to convert the good ones into high-CLV customers, and to discard unprofitable customers (Levy & Weitz, 2012). Customer retention includes four approaches. First, frequent-shopper programs are employed to construct a customer database, and to stimulate repeat purchase behaviour and loyalty (Lal & Bell, 2003; Levy & Weitz, 2012). Second, uncommonly high-quality customer service may be provided to build and sustain the best customers' loyalty (Kursunluoglu, 2014; Levy & Weitz, 2012). Third, retailers can offer unique benefits to individual customers, engaging in personalization (Exchange Solutions, 2018; Levy & Weitz, 2012). Creating programs for small groups or individual customers is designated as 1-to-1 retailing (Levy & Weitz, 2012; Peppers, Rogers, & Dorf, 1999). Fourth, developing a community among customers allows for building customer retention and loyalty (Levy & Weitz, 2012; Schouten, McAlexander, & Koenig, 2007). Transforming good into best customers is referred to as customer alchemy (Levy & Weitz, 2012; Zeithaml, Rust, & Lemon, 2001). A way to accomplish it is through add-on selling, which means expanding the offering to existing customers to increase the retailer's share of wallet with them. Many retailers use their customer database to make product suggestions (Kumar & George, 2007; Levy & Weitz, 2012).

After analyzing the concept of brand and those which are related to it, such as awareness, image, identity, and positioning, it is clear the importance of managing retailers as brands, with a particular focus in communication programs and CRM. The research question of this project is, thus, "how can PCDIGA optimize their brand?"

### **Chapter 3 – Methodology**

The business world feeds from people's perception of reality and how they act upon it, which is why it makes sense to adopt a critical realist approach to this project; one with a mixed methods design, using quantitative and qualitative data collection techniques (Saunders, Lewis, & Thornhill, 2009).

This project started on September 3<sup>rd</sup>, and during the first month, primary data was collected using semi-structured interviews – the researcher has a list of topics to be covered, although they may differ from interview to interview (Saunders et al., 2009). These interviews were conducted to understand more about the business, its strategy, and its current situation. After creating the list of topics to be covered, these were allocated to the several PCDIGA's employees, depending on each one's position (slides 68-74 - group report). All of the interviews were recorded to ease their analysis later. Another way of collecting primary data was through observations (slides 75-79 - group report), which were made in four occasions, and involve “the systematic observation, recording, description, analysis and interpretation of people's behaviour” (Saunders et al., 2009). First, observations were conducted in Comic Con Portugal, at PCDIGA's stand, during the evenings of two days. Second, in-store observations were made in Benfica. Third, the calls received in the company's call centre were analysed during the morning and the afternoon of September 17<sup>th</sup>. In these three occasions, the members of the team were complete observers – the purpose of the activity was not revealed, and the team did not take part in it (Saunders et al., 2009). Finally, after being informed of negative in-store experiences, the team decided to send a “mystery shopper” to Benfica in order to evaluate the customer service and the in-store experience. Here, the members of the team were complete participants – seeking to become a member of the group in which research was being done, but not revealing the purpose (Saunders et al., 2009).

To consistently diagnose the business, three analysis were then developed based on primary and secondary data (slides 80-85 - group report). A SWOT analysis refers to the strengths, weaknesses, opportunities, and threats. Strengths and weaknesses refer to internal resources and capabilities, while opportunities and threats take into account factors external to the organization (DuBrin, 2011). A five Cs analysis comprises the company, its collaborators, customers, competitors, and the context which involves it. The context includes a PESTEL analysis, which describes political, economic, social, technological, environmental, and legal factors (Dolan, 2014). Additionally, it was developed a Touchpoint Mapping (slide 20 - group report), which represents the interactions a company has with its customers across the available channels (Peppers & Rogers, 2011).

The abovementioned methodology was essential to determine PCDIGA's current brand identity positioning. To define brand identity, the Kapferer's Brand Identity Prism was adopted (slide 32 – group report), which is represented by a hexagon, and each of the six facets has its own meaning – physique, relationship, customer reflection, personality, culture, and self-image (Kapferer, 2012). To define brand positioning, Keller's approach was adopted. This approach determines the target market, the nature of competition, the points of parity, and the points of difference (Keller et al., 2012). After identifying these variables, a positioning statement and graph were built (slides 7 and 34 - group report).

On the first week of November, quantitative research was conducted to understand PCDIGA's brand awareness and brand image, and to identify brand identity gaps – primary data was collected using questionnaires (slides 144-171 - group report). A questionnaire includes all techniques of data collection in which each person is asked to answer the same questions in a predetermined order. A self-administered questionnaire is usually completed by the respondents. An internet-mediated questionnaire is administered electronically using the Internet and is a subcategory of the self-administered questionnaire – it was the type of questionnaire used in this project. To choose it, some factors were considered, such as the characteristics of the respondents from whom it was wished to collect data, the required sample size for the analysis, and the types and number of questions needed to ask (Saunders et al., 2009). Initially, the questionnaire was developed to be shared on the team's and on PCDIGA's communication channels – on social media pages, such as Facebook, and, in the case of the company, on its website, and through a newsletter sent via email. Two filter questions assured that respondents were living in Portugal for the last five years, and that they had purchased at least one electronic equipment in the last two years. This questionnaire considered people from three main groups – people who had already bought at PCDIGA, people who did not know PCDIGA, and people who knew PCDIGA but had never bought there – and had filtered questions accordingly. The general questions of this questionnaire measured brand awareness and aimed to understand consumer behaviour, evaluating the factors that consumers value the most when purchasing an electronic good. The group which had already bought at PCDIGA answered to several questions concerning their experience with the store. The group which knew PCDIGA but had never

bought from the company was asked about why they had never chosen it. Demographic information was asked to all the respondents. Throughout the questionnaire, four types of scaling techniques were used. Inside comparative scales, a constant sum scaling was used. Inside non-comparative scales, it was used a continuous rating scale and two itemized rating scales – a Likert scale, and a semantic differential scale. The questionnaire developed was not approved by the company, and the team had to remove the question measuring brand recognition, and all the mentions to specialized stores besides PCDIGA. Hence, two different questionnaires were shared – the team shared the first version, and the company shared the less complete version. In the end, 4,025 valid responses were registered. This number show a great adhesion, as the questionnaires took around 10 minutes to be completed, and this happened possibly because a smartphone was drawn to one of the respondents. For the sake of simplicity, the questionnaire shared by the team will be referred as “PCDIGA Friends”, and the one shared by the company will be referred as “PCDIGA Clients”.

#### **Chapter 4 – Analysis and Discussion**

After developing PCDIGA’s current brand identity and positioning, the team was uncertain about whether the company should continue to position itself in the same way, and the questionnaire was helpful to gather relevant findings. These findings will not focus on specific PCDIGA’s customer segments, because the questionnaires did not show relevant differences between them – the sample of customers will be analysed as a whole. The main research question of this workstream aims to find out “how can PCDIGA optimize their brand?”. According to this research question, four hypotheses were created and tested:

- H1: PCDIGA’s brand identity and brand image (as perceived by customers) are the same.
- H2: PCDIGA enjoys a high level of customer satisfaction.
- H3: PCDIGA enjoys a high level of customer loyalty.
- H4: PCDIGA is perceived as a premium brand.

First of all, brand awareness was measured (slides 174 and 314 – group report). Concerning brand recall, the two questionnaires will be analysed separately. On PCDIGA Friends, only 12% of the respondents mentioned PCDIGA, while competitors like Worten and Fnac registered, respectively, 90% and 71%. On

PCDIGA Clients, 72% of the respondents mentioned PCDIGA, and, in this case, it was the highest percentage registered, followed by Worten, with 64%, and Fnac, with 49%. Considering that respondents to PCDIGA Clients were somehow influenced, as the questionnaire was shared by PCDIGA itself, this result is not so positive. Brand recognition was only measured on PCDIGA Friends, and the brand was recognized by 33% of the sample. It was the most recognized specialized store, but the main big retailers – Worten, Fnac, Media Markt, Staples, and Rádio Popular – were all recognized by more than 95% of the respondents, highly exceeding PCDIGA.

Then, all the respondents evaluated the aspects they valued the most when purchasing an electronic equipment, such as price-quality ratio, reputation of the store, availability in the point of sale, promotions, specialized service, previous experience with the brand, and variety of products sold (slides 185, 193, 211, 325 and 339 – group report). This was done with a constant sum scaling – respondents had to allocate 100 points to the different aspects. After comparing the answers of the two questionnaires, it was concluded that the results were the same for all the groups – the price-quality ratio registered the highest average number of points, and the specialized service registered the lowest average number of points. This is incoherent with PCDIGA's belief that its customers value a specialized service – rather than valuing it, respondents show that they do not care about it when purchasing an electronic good. Besides the fact that customers do not value a specialized service, observations conducted showed that PCDIGA is not a highly qualified provider of it. This is also not consistent with the brand's current identity and positioning. H1 is, thus, rejected, because there is an identity-image gap.

Several questions were asked to the group which had already bought at PCDIGA. First, these assessed their experience with the retailer (slides 206 and 335 – group report). This was done with a 0 to 10 continuous rating scale. Respondents of PCDIGA Friends evaluated their overall satisfaction with PCDIGA, on average, as 8,75 out of 10, while respondents of PCDIGA Clients assessed their experience as 9,25 out of 10 – which justifies confirming H2. Then, specific aspects were asked about, such as the price-quality ratio, promotions, payment conditions, warranty and return conditions, after sales service, website, shipment of orders, store proximity, design and layout of the store, waiting time in store, in-store

customer service, and call centre service (slides 206 and 335 – group report). To reach a conclusion, the results of the two questionnaires were combined. The top four aspects are the shipment of orders, the website, the in-store customer service, and the price-quality ratio, and the bottom four aspects are the design and layout of the store, the store proximity, the call centre service, and the waiting time in store. Each of the abovementioned aspects was also compared between PCDIGA and its competitors – both big retailers and specialized stores (slides 207-210 and 336-338 – group report). The main aspects in which PCDIGA is perceived as worse than its competitors, mainly the big retailers, are the store proximity, the waiting time in store, and the design and layout of the store. Regarding its weaknesses comparing to the remaining specialized stores, there is no conclusion drawn.

Respondents were also asked to disagree or to agree, with a Likert scale from 1 to 5, with two sentences about their perception of PCDIGA: one stated that it is a premium brand, while the other stated that it is a low-cost brand (slides 211 and 338 – group report). The result of this question was different depending on the questionnaire – PCDIGA Friends is not conclusive, because the answers are alike, while PCDIGA Clients shows that respondents see PCDIGA as a premium brand – 4,32 out of 5 versus 3,29 out of 5. Thus, H4 is confirmed only in the case of PCDIGA Clients.

PCDIGA's communication was evaluated with a semantic differential scale from 1 to 7, and eight factors were considered: satisfaction, modernity, strength, organization, usefulness, diversity, informality, frequency, and efficiency (slides 212 and 341 – group report). After combining the results of the two questionnaires, it is comprehended that PCDIGA's communication is perceived mostly as satisfactory, modern, and useful, but not so frequent and informal.

These respondents were also asked, with a 0 to 10 continuous rating scale, if they would recommend the store to their family and friends, and if they would come back to PCDIGA on the following 12 months to repurchase (slides 206 and 335 – group report). Although the outcome was positive in both questionnaires, PCDIGA Clients registered better results: respectively, 9,22 out of 10 and 9,08 out of ten, compared to the scores on PCDIGA Friends, which were, respectively, 8,58 out of 10 and 7,63 out of 10. This difference is possibly due to the level of familiarity with PCDIGA of the respondents of each questionnaire –

respondents to PCDIGA Clients are more familiar with it than the others. However, both results show that respondents trust the brand and are loyal to it, which confirms H3.

People who knew PCDIGA but had never bought there were asked about why they had never chosen it (slides 195 and 327 – group report). The fact that respondents did not know PCDIGA by the time they bought an electronic good, the fact that the same product had a lower price in another store, and the fact that its stores were not near to the respondents' place of residence were the most mentioned.

## **Chapter 5 – Conclusions and Recommendations**

### **5.1 – Academic Implications**

According to Roy and Banerjee (2014), it is necessary to identify and measure the identity-image gap, as the two may not be synchronized. A lack of synchronization between these two concepts is exactly what was found in this study, which allowed to update both brand identity and positioning. One issue found is that there is confusion regarding the culture of the brand, and the design and layout of the stores are responsible for it, as they do not convey technology. In fact, Ailawadi and Keller (2004) and Dicke (1992) support the importance of the stores' design, as they are “the product of the company”.

### **5.2 – Managerial Implications**

PCDIGA's communication should change, mainly concerning the specialized service that the company claims to be expert in. As discussed above, people in general do not value this type of service, and they do not see PCDIGA as a provider of a specialized service. Hence, updating the brand identity and positioning is recommended, mainly by substituting the specialized service for a specialized knowledge in gaming (slides 32 and 34 – group report). Since PCDIGA is a multichannel retailer, practical recommendations for its brand activation and communication were also made concerning more than one channel. These were based on the results of the questionnaires; they are presented below and further detailed in the group report.

A website optimization is recommended, with several improvements to be made. First, a higher number of filters should be created, which would help customers to search for products more efficiently. Second, a product comparison platform should be implemented to ease customers' decision-making processes.

Third, the website should include a platform allowing customers to customize their own computer, which would be especially relevant for gamers. Fourth, a chatbot should be created so that customers were able to clear their doubts quickly and effortlessly and interact with the company. Fifth, PCDIGA should engage in up-selling and cross-selling by recommending products to customers based on the ones they had previously seen and bought. Sixth, the language on the current navigator should be changed to one less technical and more easily interpreted. Seventh, a product reviews section should be created – customers would be able to share their experiences, which would in turn help other customers, and by interacting with PCDIGA, this would also increase engagement. The eighth, and final recommendation is that the website should have a responsive design, which would improve customer experience when visiting the website through a mobile device.

Personalized newsletters should be sent via email to each customer segment in each festive season. In accordance, it is also recommended to create specific promotions for the different segments. These recommendations are based on each segment's interests and previous purchase history, and foster up-selling as well as cross-selling.

The design and layout of the stores should be re-designed – it is recommended that PCDIGA adopts a store layout that conveys its technology-driven culture. Moreover, it should be communicated to customers that the stores already provide free Wi-Fi.

As a way to leverage the brand, it is recommended that PCDIGA extends it, creating its own private label of electronic products. This should be done, at first, with low involvement products, with low production cost and complexity. Depending on the adhesion to the resulting new brand, its product portfolio may be extended to other types. Moreover, this brand should have a different name than the retailer's, in order to reduce its risk – it should be adopted a range brand strategy, presenting a single brand name and including a range of products belonging to the same area of competence.

PCDIGA should also create a public relations department or include it in one already existing. This department would be responsible of assuring PCDIGA's partnerships with influencers and its presence in newspapers, magazines, and events, as well as organize events that reinforce its positioning and customer



engagement – specifically, two types of events should be created. First, PCDIGA should celebrate its birthday with its customers. Stores would be decorated accordingly, and exclusive campaigns would be made to leverage the brand. Moreover, private events for PCDIGA's best segments, such as *O Melhor Amigo* and *O Colega de Casa*, should be done to pre-launch new and relevant products – for instance, the recommended private label.

To follow the change on the positioning to a focus on gaming, a loyalty program should be created. This would be based on points, which would be earned through purchases and interactions with the company. There would be four different statutes, which would provide the best benefits to the ones with the highest number of points.

### **5.3 – Limitations**

While developing the questionnaire, and when assessing consumer behaviour, respondents were asked about how many products, and of which types, they had bought on the previous two years. When inserting the various product types, the team did not include peripherals. This mistake did not allow to assess precisely the favourite types of products of each segment. Also concerning the questionnaire, the team believes that the sample may not be completely random – it may be somehow biased, due to the fact that the online network of the team and PCDIGA is mainly composed of people between 18 and 24 years old. Due to time constraints, it was impossible for the team to conduct semi-structured interviews to PCDIGA's customers. This made more difficult to get deeper insights mainly about brand image and its associations on consumers' minds.

### **5.4 – Further Research**

Implementing the abovementioned recommendations is expected to increase customer loyalty and engagement with the brand. PCDIGA should continually gathering primary and secondary data about the market and its trends, and, following the previously mentioned limitations, primary data should be collected through both qualitative and quantitative research on customers' insights regarding the updated brand positioning, in order to keep improving and strengthening the already solid brand.

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